
USDA/Food Distribution Project No. 3

Project No. 3: Poultry Substitution

State Partners: All states processing with poultry processors authorized to substitute

Industry Partner: All poultry processors authorized to substitute: Tyson, Gold Kist, Jennio, Zartic, ConAgra, Cherokee Foods

Scope: All poultry products processed by poultry processors who are authorized to substitute.

Background: Current processing regulations do not permit the substitution of poultry products. This means processors are required to process specific truckload orders purchased for a specific state into end products that could only be delivered to the intended state. In 1996, USDA issued a federal register notice waiving this regulation to test the substitution of poultry products on a pre-approved basis. This notice was extended until June 2002.

Concept Tested: The substitution of truckload orders of commodity for other truckload orders of commodities and the substitution of certified commercial poultry for commodity poultry.

Process Description: Substitution may occur when an order is purchased and produced and delivered to a processor for a State. Depending on the processor's substitution authority the commodity may be processed into end products for other states or commercial products. The original delivery order then becomes book inventory at the processor. At a later, agreed upon date, end products are then processed under grading and delivered to States or school districts.

Status/findings thus far: Substitution has alleviated some production, delivery and inventory problems. A standard yield system ensures that stakeholders receive the full benefit of the substitution process. The monthly performance report needs to be revised.

Next Step: USDA will be issuing regulations, policy and procedures regarding poultry substitution. USDA will also be working with the ACDA processing committee to revise the monthly performance reporting requirements.

Contact parties for further information:

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